The Monthly Magazine for Food and Agricultural Exporters

AgExporter

United States Department of Agriculture
Foreign Agricultural Service
September 2001

Sell it under cover, but sell it…

Scoring Stealthy Sales in Europe's Private Label Sector

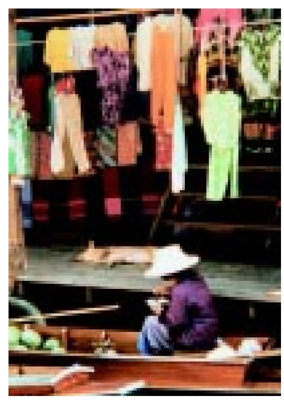
The Magazine for Business Firms Selling U.S. Farm Products Overseas

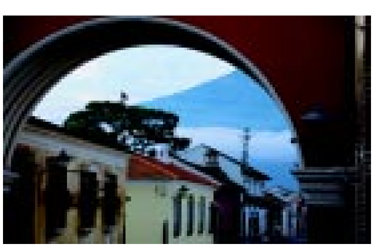
AgExporter

United States Department of Agriculture
Foreign Agricultural Service

September 2001

Features





Volume XIII, No. 9

Published by
U.S. Department of Agriculture
Foreign Agricultural Service

Editor
Jeanne McLaughlin
Tel.: (202) 720-0061

Writers
Priscilla B. Glynn
Jill Lee
Jeanne McLaughlin
Eric VanChantfort
Don Washington

Text of this magazine may be reprinted freely. Photographs may not be reprinted without permission. Use of commercial and trade names does not imply approval or constitute endorsement by USDA or the Foreign Agricultural Service. The Secretary of Agriculture has determined that publication of this periodical is necessary in the transaction of public business required by law of this Department. Use of funds for printing *AgExporter* has been approved by the Director, Office of Management and Budget.

Subscriptions are available from the National Technical Information Service (Tel.: (703) 605-6060) and can be charged to VISA, MasterCard or American Express. Subscriptions are also for sale by the Superintendent of Documents, U.S. Government Printing Office. Internet: (bookstore.gpo.gov). Phone: (202) 512-1800; Fax: (202) 512-2250; Mail: Stop SSOP, Washington, DC 20402-0001.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

Can Do: Going Private Label Pays in Europe

By FAS European Staff

Exporters, how would you like to escape from worries about marketing your product overseas, yet still enjoy a ready-made consumer base and a consistent buyer? If so, private label exporting may be for you.

For companies that are more focused on the bottom line than on name-brand recognition, the private label arrangement can be ideal. Here's how it works: an established overseas company generally one with a strong customer base- buys your product and re-packages it under its own label.

In this way, companies lacking money or resources to manage a full-fledged product launch overseas can still have a presence on the shelves through private label sales.

Europe: Private Label Central

Europe, as it happens, is by far the most important continent for private label exports, both in terms of sales volume and value. The total turnover of private label sales in Europe is estimated at $280 billion. In 1998, European private label sales grew by 5.9 percent, compared to 4.6 percent in 1995.

In Europe, store brands have been so successful they've often eroded the market shares of well-known brands. With a turnover of $232.4 billion and more than 83 percent of all private label sales in Europe for 1998, the European Nations is a force to be reckoned with in terms of private label.

And who leads the private-label market in the region? The United Kingdom, thanks to supermarket powerhouses such as Tesco and Sainsbury, which are heavily invested in private label use. Both the high level of competition among its grocery chains and the deep penetration of non-food private label retailers such as Marks & Spencer have accelerated the growth of private label food products in the United Kingdom.

Private Label Pays for Exporters

With up to 20 percent of market share (more in some categories), private labels not only offer the consumer a lower priced alternative for name brands, but also add extra cachet to store images.

The private label trend was not always so powerful in Europe: it took more than 20 years to reach its current strong position in Western Europe's market.

Nowadays, European supermarkets target unique private label products to different segments of their customer base as a way of enhancing customer loyalty.

Premium private label items usually bear the name of the store, as do specialty foods that target local or regional tastes. Economy lines like "Euroshopper" often cut across international boundaries.

Growth Should Continue

Private label product growth has been strong in Europe in recent years, and there are no signs that the pace will slow down. In the coming years, it is expected to outperform the retail sector as a whole.

Euromonitor, a market research firm, forecasts 26-percent growth in Europe's private label sales between 1997 and 2002. Growth of non-food private labels will outstrip those of food, however.

By 2002, nearly 14 percent of all European retail sales are expected to be under private label.

However, considerable regional differences exist. In northern Europe, where the supermarket structure is generally fully developed and the trade is highly concentrated, the private label market share seems destined not to grow very much.

Selling in the European Union

Several factors affect how well private labels sell in a particular country. Whenever consumers are open to trying different brands, demand for private label food is growing. The assortment of supermarket chains may also influence the total share of private labels in a country.

Of course, in a line of foods where one name dominates, private label sales are likely to be inhibited. Often, in a market where three brand-name manufacturers are dominant, retailers do not launch a private label concept.

What U.S. Exporters Need To Know

Due to the concentration of buying power in Europe, U.S. manufacturers can expect to deal with fewer firms and fill larger orders when working with private-label sales.

Regional and local tastes and preferences can be expected to affect export demand and, in turn price. On the other hand, sophisticated electronic purchasing and distribution systems may cause prices to equalize.

To develop ties with small European retailers, U.S. firms must have a warehouse or distribution facility in Europe capable of handling small and frequent orders. Securing that facility, of course, requires a financial commitment to the market.

Snapshot: Belgium and Luxembourg

After the United Kingdom, Belgium is second in private-label market share, followed closely by Germany.

Belgium's private label sales have about a 35-percent market share in value and therefore account for about one of every three products sold.

Private label's volume share of dry grocery items advanced in 2000. These items also lead advances in value, along with alcoholic beverages and frozen foods.

Since 1997, the supermarket chain Delhaize 2 has opened more than 25 stores in Belgium. Almost all of its products are private label. Other private label powerhouses are food retailers Aldi, HEMA and Marks & Spencer.

In most of these stores, the emphasis is on convenience products, with a large number of the 3,500 stocked items in the area of pan-ready foods and ready-to-heat meals.

Belgian Consumers and Private Label

More shoppers are discovering and relying on private-label products in Belgium. According to a survey of MORI, a con-

Who's Who in the EU?

The Member States are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Luxembourg, Italy, Portugal, Spain, Sweden, the Netherlands and the United Kingdom.

sumer research firm, more than half of customers frequently buy private label products.

This trend should expand and diversify. Many Belgian shoppers said they would like to see a wider variety of private label goods, especially in their favorite supermarket chains.

A Closer Look: The Netherlands

Dutch supermarkets have invested in private labels for some foods, although not as heavily as Belgium or the United Kingdom. But there are several important products.

For example, market leader Albert Heijn sells meat and meat products under its "AH" label alone, while supermarket chain Super De Boer offers pork under its "Best-Meat" label.

Super De Boer also carries its own apple brand, "Tentation," while supermarket chain C1000 does the same with "Roblos."

While market share has been slipping in the Netherlands, the appetite for private- label products remains good. More than half of all customers say that they frequently buy the retailers' brands. In addition, one in four consumers claim to be more likely to buy private labels now than a year ago.

Perishable goods lead private label performance in the Netherlands. Delicatessen items have the highest value share at nearly 30 percent. Dairy posts the greatest volume share, almost 33 percent.

A Closer Look: Italy

The introduction of new private-label products in Italy's market started off slowly, but is now expanding at a rate comparable to that in other EU countries.

Perhaps this slow but steady growth has to do with a strong Italian tradition of culinary quality–and a perception of private-label products as budget-wise rather than flavorful.

60040

To make inroads, exporters and food stores must stress that private-label products can be of exceptional quality. In fact, any new product must meet or exceed their expectations. As the private label concept becomes more widely accepted, the "best value for the money" concept will increase in attractiveness.

Conquering Europe With Cans

Sales can increase dramatically when U.S. companies and their European retailers work in alliance to offer a broad variety of good quality and innovative private-label products.

Such relationships enable U.S. exporters to be partners in product development. There are advantages on both sides: the store knows what customers in its region want, but it's up to the U.S. supplier to devise creative ways to meet their needs. It also doesn't hurt exporters to support retailers with powerful marketing campaigns and targeted merchandising.

Make the Show; Make the Sale

Another way to make the most of the European market is to discover the annual Private Label Manufacturer (PLMA) Show.

This highly specialized show, held in

Amsterdam for over a decade, has grown into a significant venue to place U.S. private label products overseas.

PLMA is restricted; only manufacturers and exclusive agents may exhibit, and only retailers and supermarket buyers may attend.

In 2000, the show had more than 2,700 exhibit stands representing manufacturers from more than 50 countries. There were a few U.S. exhibitors in 2000, but American themes and tastes were nevertheless notably present. That speaks to a potential demand that isn't currently filled by U.S. products.

The PLMA show is a good venue to find partners in European countries, provided your company has innovative or novel products that are price-competitive.

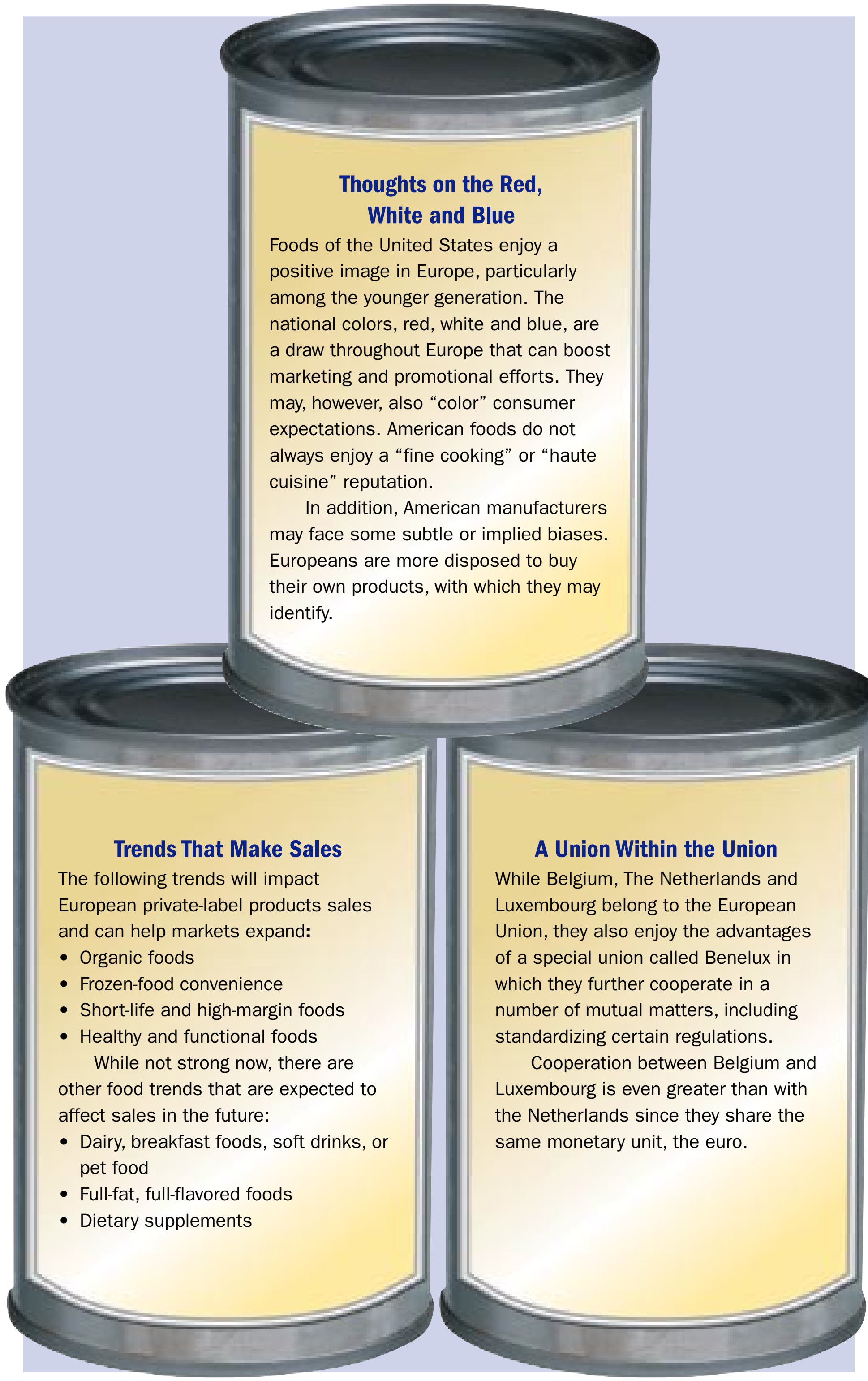
A company must also have sufficient capacity and flexibility to adapt product lines to European tastes. Logistical requirements include: European distribution and financing know-how, as well as European warehouse space and distribution facilities or contacts. ■

Exporters with questions about a particular region are encouraged to contact the following:

FAS' Office of Agricultural Affairs in the American Embassy, Brussels, Belgium. Tel.: (011-32-2) 508-2437; Fax: (011-32-2) 508-2148; E-mail: Agbrussels@fas.usda.gov.

FAS' Office of Agricultural Affairs in the American Embassy, The Hague, The Netherlands (office covers The Netherlands, Belgium, Luxembourg, Denmark and Iceland.) Tel.: (011-31-70) 310-9299; Fax: (011-31-70) 365-7681; E-mail: Agthehague@fas.usda.gov

FAS' Office of Agricultural Affairs in the American Embassy, Rome, Italy. Tel.: (011-390-6) 4674-2362, Fax: (011-390-6) 478-87008; E-mail: agrome@fas.usda.gov



Thoughts on the Red, White and Blue

Foods of the United States enjoy a positive image in Europe, particularly among the younger generation. The national colors, red, white and blue, are a draw throughout Europe that can boost marketing and promotional efforts. They may, however, also "color" consumer expectations. American foods do not always enjoy a "fine cooking" or "haute cuisine" reputation.

In addition, American manufacturers may face some subtle or implied biases. Europeans are more disposed to buy their own products, with which they may identify.

Trends That Make Sales

The following trends will impact European private-label products sales and can help markets expand:

- Organic foods
- Frozen-food convenience
- Short-life and high-margin foods
- Healthy and functional foods

While not strong now, there are other food trends that are expected to affect sales in the future:

- Dairy, breakfast foods, soft drinks, or pet food
- Full-fat, full-flavored foods
- Dietary supplements

A Union Within the Union

While Belgium, The Netherlands and Luxembourg belong to the European Union, they also enjoy the advantages of a special union called Benelux in which they further cooperate in a number of mutual matters, including standardizing certain regulations.

Cooperation between Belgium and Luxembourg is even greater than with the Netherlands since they share the same monetary unit, the euro.

FD005153

Philippine Market Blends Eastern Traditions, Western Tastes

by Joy F. Canono

More than 100 years ago, a Filipino nationalist hailed his homeland as the "Pearl of the Orient Seas." Similarly, many modern-day exporters have discovered that today's Philippines is a pearl of a market.

In Southeast Asia, it is the No. 1 market for U.S. consumer foods. Globally, it ranks among our top dozen markets for these products. Its imports of U.S. consumer foods top those of many larger, more affluent Asian and European economies.

In the past few years, the Philippines has proven to be not just a good customer, but a resilient one. When the Asian financial crisis engulfed the region, the Philippine economy was severely shaken, and import demand shriveled. But the country weathered the downturn better than many of its neighbors, and it has revived quickly in the aftermath.

The numbers tell the story. In 1997, after climbing 70 percent in two years, U.S. consumer food exports to this market reached a record $220 million. Most of that gain was wiped out during the height of the crisis the following year, as our food exports plunged by $80 million. The Philippine peso was sharply devaluated beginning in mid-1997, and the country's GDP growth slowed to near zero in 1998.

In 1999 and 2000, however, annual GDP growth rebounded, the peso stabilized and trade recovered. Our consumer food exports to the Philippines totaled $219 million last year–pulling virtually even with the 1997 record and poised for further gains. Our total agricultural exports to this market, including bulk and semiprocessed commodities, shattered the old record, topping $900 million for the first time.

Although other Southeast Asian markets also staged a strong recovery from the steep 1998 decline, they did not match this turnaround performance. For the region as a whole, our food exports last year remained about 10 percent below 1997 levels, as did our total agricultural exports.

Ringing Up Sales From Citrus to Snacks

The Philippine market has welcomed a wide variety of consumer foods, selecting broadly from the U.S. menu. Exports of U.S. snack foods, one of the leading sales categories, totaled close to $49 million last year, up more than 80 percent since 1995. Popular items include chips and other salty snacks, as well as chocolate candy.

U.S. sales of processed fruits and vegetables amounted to around $36 million in 2000. Frozen french fries dominated this category, followed by canned fruit, such as fruit cocktail and peaches. Apples, grapes, citrus and other fresh fruit exports were valued at $22 million.

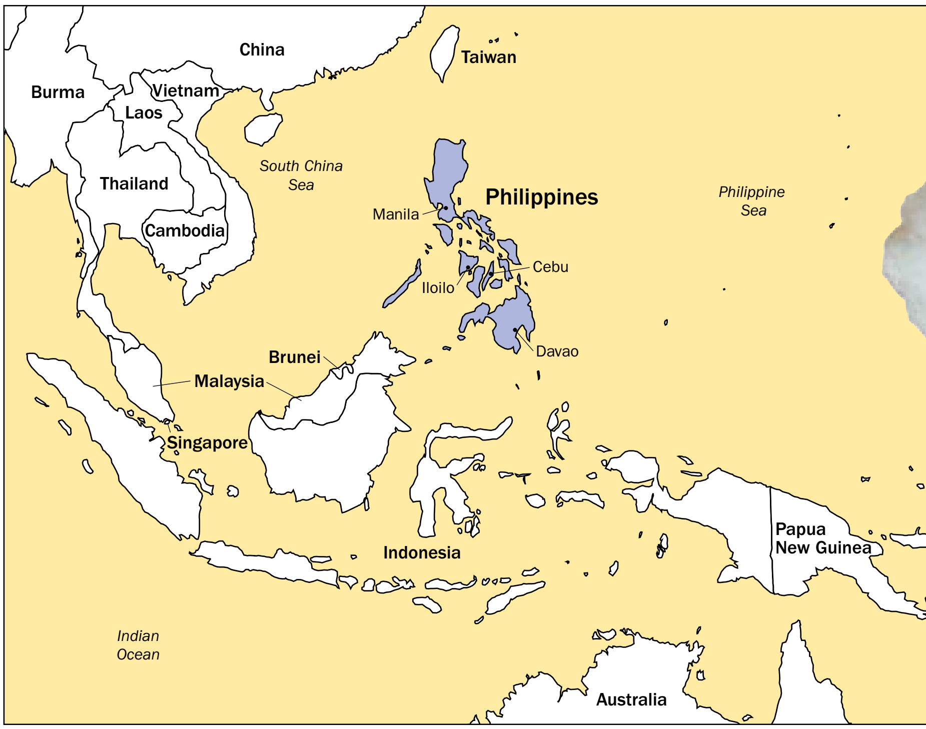
Chicken is another strong performer. U.S. exports of poultry meat, mostly frozen leg quarters, increased from almost nothing in 1995 to $14 million last year. Sales were even higher in 1999, climbing to a record $21 million, but the large influx prompted the Philippine poultry industry to appeal to the government for import safeguards. To date, no special safeguard has been enacted against poultry imports, but the government monitors imports very closely.

U.S. dairy product exports were valued at $49 million in 2000. This mainly reflected shipments of U.S. nonfat dry milk and whey powder, but also included limited sales of premium ice cream and processed cheese products.

Among smaller categories, U.S. sales of pet foods to the Philippines reached a record $5.6 million last year, up more than

60230

AN EXPERIENCED DISTRIBUTOR, IMPORTER OR AGENT IS PROBABLY YOUR BEST BET.



OS38074

400 percent since 1995. U.S. wine and beer exports also set a record at $2.6 million, more than twice the level of 1995.

Image and familiarity help explain the popularity of U.S. products with Philippine consumers. In general, U.S. food products are considered to be of higher quality than imports from neighboring Asian countries. American products also enjoy the ring of familiarity–a benefit of the historical, commercial and cultural ties between the two nations.

Of course, it takes more than strong ties to make a good market. It generally takes an expanding economy and growing demand.

The recent financial crisis was preceded by several years of robust economic growth, which brought rising incomes for many. Population increases and accelerating urbanization have given a further jolt to demand, spurring rapid expansion and modernization of the country's food sector.

In metro areas especially, increasing numbers of dual-income, middle class families and young professionals have swelled the ranks of consumers who are willing and able to pay for what they want. Among the wants of many of today's urban food shoppers are quality, convenience and variety.

Retail Sector Receptive to Imports

Retail sales of foods and beverages in the Philippines doubled between 1992 and 1996. Although 1997 and 1998 sales showed only marginal gains in peso terms–and small declines in dollar terms–the double-digit annual growth rates of the mid-1990s are expected to resume and may already have.

Total food imports followed a similar pattern, rising by two-thirds between 1994 and 1996 to more than $2.2 billion and then slowing in 1997 and 1998. Estimates for 1999 and 2000 indicate that imports are back on a growth track.

Imports account for around 20 percent of the food in the Philippine retail market. In 1998, the U.S. share of these imports was about 25 percent, followed by China at 19 percent, Australia at 14 percent and Vietnam at 7 percent. In the processed food category, the U.S. share was just over 30 percent, while China claimed the largest share of fresh food imports at about 31 percent.

In Manila and other major urban areas, the retail food sector features a varied mix of outlets, from modern supermarkets, hyper markets and warehouse stores to smaller grocery stores, convenience stores and gas marts. Traditional open-air markets generally sell fresh local products, but may also display some imported items, such as fresh fruit. Small neighborhood "mom-and-pop" or *sari-sari* stores stock only the basics.

The Western-style supermarkets favored by the urban middle class carry product lines very similar to those found in the United States. Produce and meat sections are being expanded as cold storage management improves, although open-air wet markets still dominate sales of these products.

Larger supermarkets generally offer a broad selection of imported products. Some major outlets devote special aisles to imported foods, and some house brands are supplied by foreign manufacturers and processors. Convenience stores and gas marts carry a limited range of imports, such as snack foods.

In informal interviews, Philippine food retailers reported a growing demand for convenient, easy-to-prepare products, including microwaveable foods. They also saw promising prospects for light foods, healthy foods, organic foods and items low in fat, salt or calories. Prices must be competitive, and products should appeal to local tastes, which include a preference for sweet items and for spicy and barbecue flavors.

Among the challenges facing the food sector are the costs of electricity, among the highest in Asia, and severe traffic congestion in urban areas, especially Manila. Congestion contributes to delays and higher costs in the distribution of goods.

Recent market reforms that allow foreign retailers to operate in the Philippines are expected to bring more competition and efficiency to the food sector. Opportunities for U.S. food exporters are likely to increase with the arrival of foreign food retailers, particularly if some of them are U.S. firms.

S&R Price Membership Shopping (Price Club) opened its first store in the Philippines in May of this year, becoming the first foreign and U.S. retailer to establish operations in the country since the Retail Trade Liberalization Act took effect in 2000. The store, which carries mostly U.S. products, has been drawing huge crowds since opening day. Products are imported directly or sourced from local distributors.

Exporters to the Philippines are generally advised to appoint an exclusive im-

USDA/FAS

U.S Consumer Food Exports to Philippines Regain Traction, Climbing Out of the Asian Slump

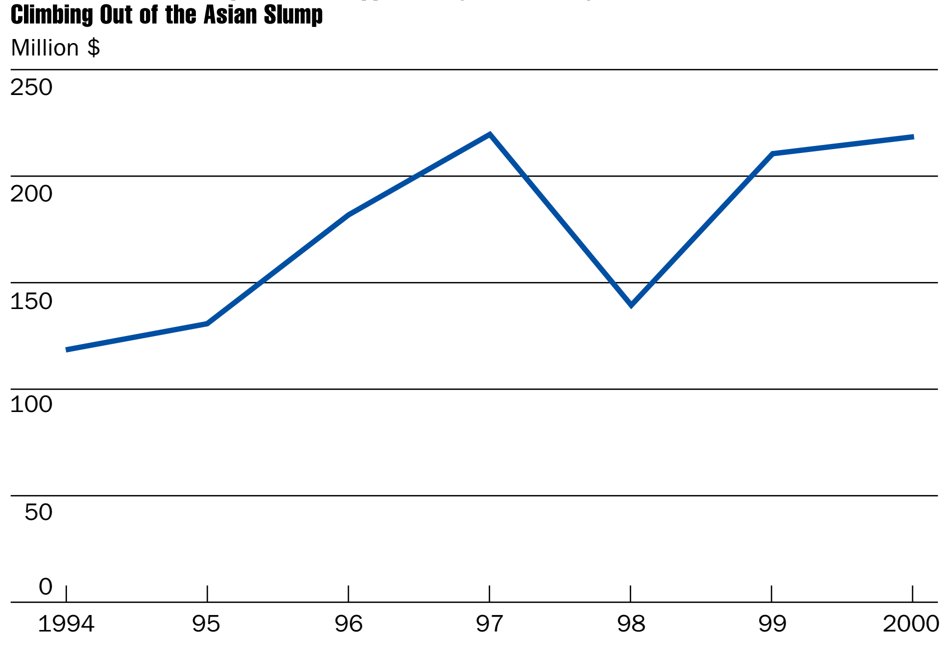


IMAGE AND FAMILIARITY HELP EXPLAIN THE POPULARITY OF U.S. PRODUCTS WITH PHILIPPINE CONSUMERS.

Where East and West Meet and Mingle

With Taiwan to the north, Indonesia to the south and Vietnam to the west, the Philippines may seem like just another remote, high-risk market thousands of miles and many time zones removed from U.S. suppliers. But location isn't everything.

This is an East Asian country with strong historical, cultural and linguistic ties to the West–and a favorable disposition toward U.S. products and trends.

The ties are, in large part, a legacy of nearly a half-century of past U.S. rule and continued close relations. Spain ceded the Philippines to the United States in 1898 at the close of the Spanish-American War.

Following World War II and liberation from Japanese occupation, the U.S.-administered Philippine Islands became the independent Republic of the Philippines on July 4, 1946. Governmental and educational institutions were closely modeled after those in the United States.

This democracy of around 80 million people is about the size of Italy–but spread over an archipelago consisting of more than 7,000 islands, many uninhabited.

Although travel to more remote areas can be challenging, the Philippines is one of the easiest countries in Asia to navigate in terms of language. If you don't speak any of the 87 local languages and dialects, try English.

Pilipino is the national language, but English is the second official language. Virtually everyone in business and government speaks English, as do many millions more. By some estimates, the Philippines contains the third largest group of English-speaking people in the world, after the United States and United Kingdom. And the country boasts one of the highest literacy rates in East Asia.

The new government headed by President Gloria Macapagal Arroyo has pledged to continue the economic reform process begun by her predecessors. So far, the Philippine business sector has reacted positively. According to many analysts, the true test will be how successful the government is in upgrading infrastructure, attracting foreign investment, further liberalizing trade and stimulating broad-based economic growth.

Manila, the capital, is also the industrial, financial and transportation center. About 90 percent of imports pass through the Port of Manila, and most national importers and distributors are headquartered in Manila. Davao, on Mindanao, is the second largest city, and Cebu City, the third largest, is the prime trading center in the southern part of the archipelago.

Most of the commercial and industrial development has occurred in cities and immediate suburbs, such as Makati City in metro Manila. Rural areas rely mostly on farming, forestry, fishing and mining. Remittances to families from relatives living and working abroad contribute significantly to income and to demand for imported goods in many smaller towns and villages.

Agricultural trade between the United States and the Philippines goes both ways. U.S. imports of consumer foods from the Philippines reached a record $212 million in 2000, roughly equal to U.S. exports of these products to the Philippines. Fresh and processed fruits and vegetables accounted for more than 70 percent of these imports.

porter/distributor or engage the services of a local trading firm. Although a few larger retailers import some products directly, most use local importers/distributors. Importers/distributors who supply the large retail food outlets also distribute to convenience stores and gas marts through the parent companies operating these chains.

One basic step requiring the help of a local importer or agent is product registration. All imported food products must be registered with the Philippine Bureau of Food and Drugs, and only Philippine entities can register products. Some Philippine importers maintain an office or buying agent in the United States and may serve both retail and food service outlets in the Philippines.

Growing Appetite for Food Service

Opportunities for export sales can also be found in the expanding food service or hotel, restaurant and institutional (HRI) sector. The HRI sector is responding to many of the same changes in the Philippine economy and social structure as the retail food sector–and exhibiting many of the same trends.

The Philippine government's National Statistics Office counted more than 800 hotels, motels and lodging places, and around 6,600 restaurants, cafés and other eating places in 1998. Revenue growth in the sector has averaged about 20 percent a year, and new openings are adding to the number of hotels and restaurants each year.

An estimated 85 percent of hotel bookings are foreign tourists and expatriates, while 15 percent are locals. The majority of the country's visitors come from elsewhere in Asia, so tourism suffered a setback in 1998 at the height of the Asian financial crisis. Before the crisis, the number of tourists coming to the Philippines was increasing about 8 percent a year, and rates are apparently recovering.

Customers of fine dining restaurants include a mix of wealthier Filipinos, tourists and expatriates, while fast food eateries cater to a much broader customer base. The Philippines remains an attractive market for international food franchises, most of them set up by American chains. These include McDonald's, Pizza Hut, Shakey's, TGIF, Tony Roma's, California Pizza Kitchen,

Food Service Sector Presents Trendy Scene

Exporters who know how to ride a trend may spot an opportunity or two in some of the following trends sweeping the Philippine food service sector:

- Bars, bistros, cafés and coffee houses are sprouting all over metro areas as popular hangouts for young urban professionals.
- The proliferation of shopping malls in major cities is bringing a wider range of food establishments within easy reach of consumers.
- Menu offerings show a growing preference for bold and flavorful foods, colorful presentations, bigger portions and health foods.
- The all-you-can-eat buffet is increasingly popular among consumers, who are often seeking good value and variety at reasonable prices.
- For fast foods, consumers are looking for reduced-price offerings, value meals and premiums such as toys.

Domino's, Burger King, KFC, Dunkin' Donuts and a number of others.

For fast foods, price strongly influences demand, and consumers are often looking for reduced-price offers, value meals and special premiums. Parent companies of U.S.-franchise operations may require certain U.S. food ingredients to ensure consistency in quality and reliability of supply.

The aggressive expansion of fast food chains has been accompanied by growth of the more upscale, full-service Western-style restaurants and specialty outlets, generating opportunities for a wider range of U.S. food products. Restaurants often see imported foods as revenue-boosters, allowing them to attract more diners by offering greater choice.

In fine dining restaurants especially, managers have found that diners are willing to pay more for what they regard as the higher quality and better value of imported foods.

Growth in the Philippine HRI sector is expected to continue along with changing lifestyles, increasing incomes, greater urbanization and more working women. With both spouses working, less time is available to prepare meals, and dual-income families have more disposable income to spend on meals away from home. The trends evident in Manila are also occurring in other urban centers, including Cebu and Davao City in the southern part of the country.

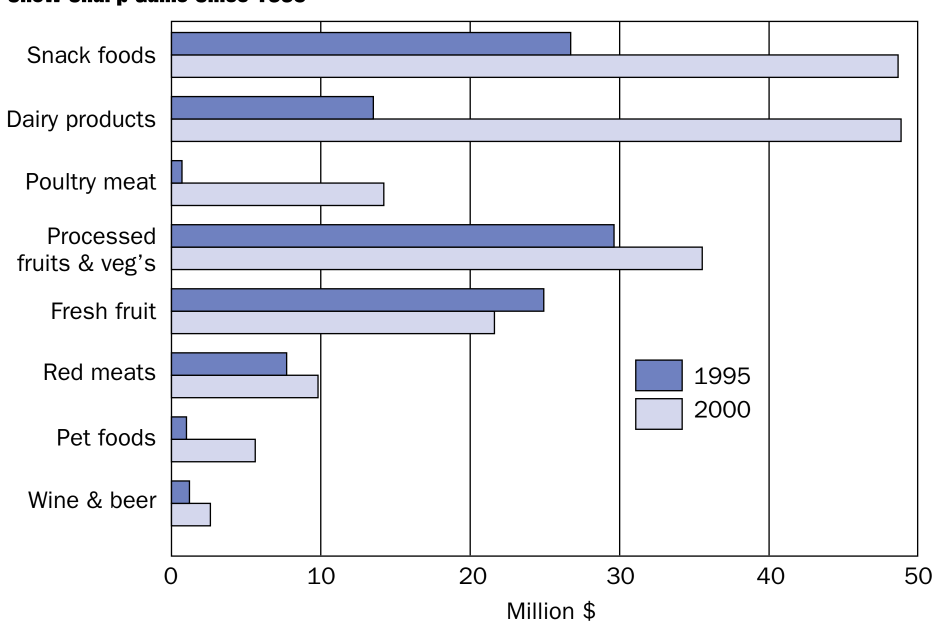
Availability is also encouraging more away-from-home eating. Shopping malls, often with food kiosks, are popping up all around urban areas. Prepared meals and snacks are increasingly available on a 24-hour basis and in various strategic locations, including convenience stores, grocery stores and bus terminals.

New-to-market exporters looking for sales in the Philippine HRI sector should consider the same advice offered to those interested in the retail food sector. An experienced distributor, importer or agent to handle local distribution is probably your best bet. Experience should generally include dealing with big hotels and food service companies. Exclusive distributor arrangements are preferred.

Importers/distributors are also important sources of food supplies for Philippine hospitals, schools, office cafeterias, passenger ships, caterers and concessionaires for theme parks, golf courses and special events. Hospitals, for example, often go to importers for fruit juices.

Within the HRI sector, 5 to 15 percent of food requirements are imported, and

Most Major Categories of U.S. Consumer Food Exports Show Sharp Gains Since 1995



USDA/FAS

most imports are sourced from importers/distributors. Fast food outlets, especially the franchise operations, directly import some of their requirements or source them from parent companies abroad.

Interviews with hotel and restaurant representatives identified several food categories where the potential is promising but U.S. products are not present in significant quantities. These include fresh vegetables, especially lettuce and broccoli; a greater variety of fresh fruits; California wines; frozen seafood; and cheese.

All in all, economic gains in the Philippines have created a growing urban middle class that is seeking greater diversity in food choices. The country's retail and food service sectors have responded by opening up markets for foods and beverages and bringing these products within easy reach of more Filipinos.

The result has been steady growth in grocery and restaurant sales and probably the brightest market in Southeast Asia for a broad range of U.S. consumer food exports. Given the favorable view of U.S. foods and renewed growth in the Philippine economy, this pearl of a market hasn't lost its luster. ■

The author is the former agricultural specialist with the FAS Office of Agricultural Affairs at the American Embassy in Manila. Tel.: (011-632) 877-1137; Fax: (011-632) 887-1268; E-mail: agmanila@fas.usda.gov

Tips on Travel and Etiquette

So you're ahead of the game. You've already done all the research, made initial contacts and maybe even scored a few sales in the Philippines. Now you're ready to invest some personal face time in an effort to build a larger or steadier relationship.

Here are a few basic travel and meeting tips for the first-time visitor:

Pack light. For a man, a light two-piece suit is fine, but for business or social functions you'll always be properly dressed in a barong tagalog–a lightweight, long-sleeved shirt native to the Philippines. For women, light suits and dresses are recommended.

Don't watch your watch. Many Filipinos tend to be indirect and like to deal face to face in a warm, pleasant, unhurried atmosphere. A meeting begins by sharing pleasantries and establishing personal rapport; negotiations follow. Discussions should always end cheerfully, regardless of the outcome. A pleasant meeting today might yield a sale next month or next year.

Be aware of personal security. As always in travel, use common sense. Some areas of the Philippines, including southern and western Mindanao, are considered unsafe for travel because of incidents of terrorism and kidnappings. Charges against former Philippine President Joseph Estrada provoked large and occasionally violent demonstrations in Manila earlier this year. Check the U.S. State Department web site for the latest travel advisories **(http://travel.state.gov/travel_warnings.html#p)**.

Look for additional tips. One excellent source is the *Country Commercial Guide.* You'll find the guide to the Philippines and many other markets on the web (**http://www.usatrade.gov/website/ccg.nsf**).

AA029882

Middle East Sweet on U.S. Honey

By Elias Pacheco Orozco

Last summer, after the U.S. honey industry showed eight guests from the Middle East the best that U.S. bees had to offer, the traders and government officials returned home to Yemen–more knowledgeable and highly impressed.

"Many in the Middle East picture the United States as one large city and they wonder how we can possibly produce quality honey," said Nathan Holleman, Chief Executive Officer of the National Honey Board.

"By taking our tour, these potential customers had a chance to see the green fields and honey farms of upstate New York and Pennsylvania. They also toured a couple of processing plants and a meadery and saw the care with which we make our honey and honey products."

The National Honey Board and the Foreign Agricultural Service hosted

The mission of the National Honey Board, located in Longmont, Colo., strives to help U.S. honey producers export their products. The board and USDA's Foreign Agricultural Service targeted the Middle East as a potential growth market because of its promise over several other international markets.

In 2000, the United States exported 1,861 tons of honey to the Middle East, a slight increase over the 1,724 tons in sold 1999. That volume accounts for 36 percent of the total U.S. honey sold overseas.

Honey is an important staple in Yemen; a survey conducted by the Honey Board found that 30 percent of the respondents eat honey every day. Moreover, 37 percent ate honey two to three times a week. In 2000, Yemen imported 488 tons of the amber fluid from the United States.

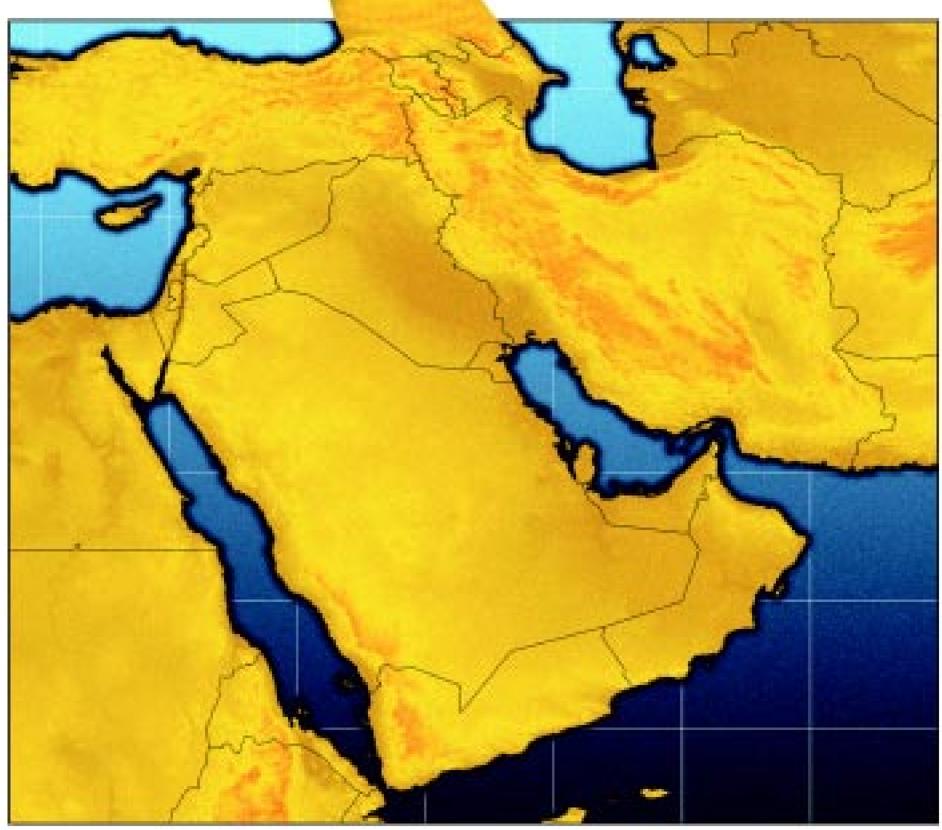
Getting a Taste of U.S. Variety

Buyers from the Middle East purchase a lot of orange-blossom honey, according to Holleman. But they are often unaware of the 300 other very different honey varieties produced in the United States.

"We want to entice them into purchasing honey from different flowers as well as honey-based products such as honey mustard," he said.

That dazzling variety of U.S. honey was made clear to the foreign visitors during a trek to Hackenberg Apiaries in Lewisburg, Penn., where owner David E. Hackenberg has been raising bees since 1962. The apiary has 3,000 hives.

Hackenberg's bees do double-duty for him. Not only does he profit from their honey, but regional fruit growers also pay for pollination. So when fruit trees are in flower, Hackenberg's busy bees go on tour, traveling on trucks across state lines to be released in orchards, bogs and fields in widespread locations.



AA016090, FD000368

FD004628

With all those fruitgrowers demanding service, at any given time the Hackenberg farm may offer blueberry honey from Maine, cranberry honey from Massachusetts, orange-blossom honey from Florida or even apple blossom honey from Pennsylvania.

"The unique thing that U.S. honey has to offer the world is its variety," said Hackenberg. "The United States can boast of sage honey in the West, fireweed honey from Alaska and cranberry honey here in the Northeast. In no other part of the world is there such diversity."

After visiting the farm, the delegation traveled to Dutch Gold, the processing plant that receives Hackenberg's product.

While at the plant, Holleman seized the opportunity to educate Middle Eastern buyers about container materials.

"We commissioned a study and found that 58 percent of the consumers in Yemen prefer glass packaging, mainly because they feel it allows them to see the honey better," he said. "We know, however, that glass increases shipping weight and breakage losses. We realized it was important to demonstrate their honey would still be visible and of high quality when shipped in clear plastic."

A Natural Choice for the Middle East

Typically, commercially produced U.S. honey is strained and filtered to remove wax and extraneous material, then heat-treated to kill microorganisms and delay crystallization. Sometimes, however, that is not what the customer wants.

About 65 percent of Yemeni consumers expressed a preference for raw honey. For half, the color of choice was golden honey–but slightly more than 30 percent wanted dark-colored honey instead.

"In the Middle East, they sometimes prefer a less-processed honey; that's where Really Raw Honey in Baltimore, Md., has great potential," said Holleman.

Mimi Bennett, president of Really Raw Honey, has been packaging unstrained, unheated honey since the 1980s. She sent some samples to FAS' post in Dubai, where it drew a favorable response from buyers at the Gulf Food Show, sponsored by FAS' Agricultural Trade Office in Dubai. In fact, many in the delegation on this honey tour asked about her product by name.

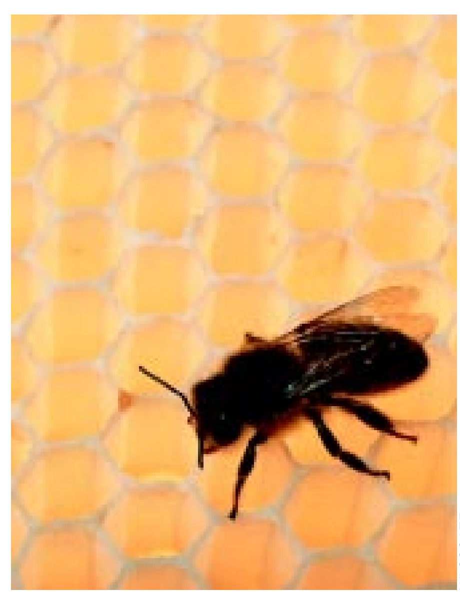
Selling and Shipping Honey

In Yemen, the import of food products is dominated by a few key traders who usually have their own cold storage facilities near the port.

A sale begins when an importer opens a letter of credit by submitting the required documents to a bank. Once the paperwork is processed, the importer waits for the honey to arrive, usually at the Port of Hodeidah.

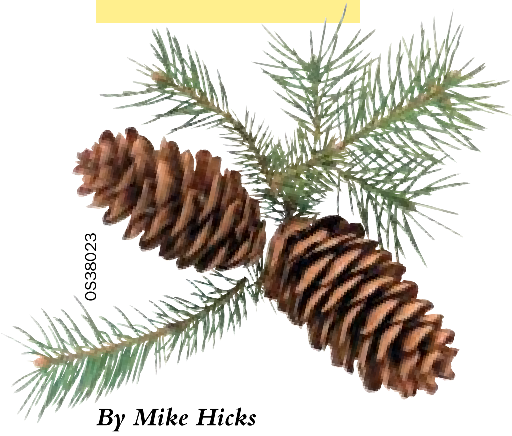
The product is then shipped to Sanaa for distribution to wholesale markets and retail outlets–where it becomes a sweet treat for consumers throughout the region. ■

The author is a marketing specialist in honey with FAS' Commodity and Marketing Programs Division in Washington, D.C. Tel.: (202) 720-6791; Fax: (202) 720-3799; E-mail: Orozco@fas.usda.gov



WL002175

New Regs in the European Union (EU) Require Treatment for Wood Packing Material



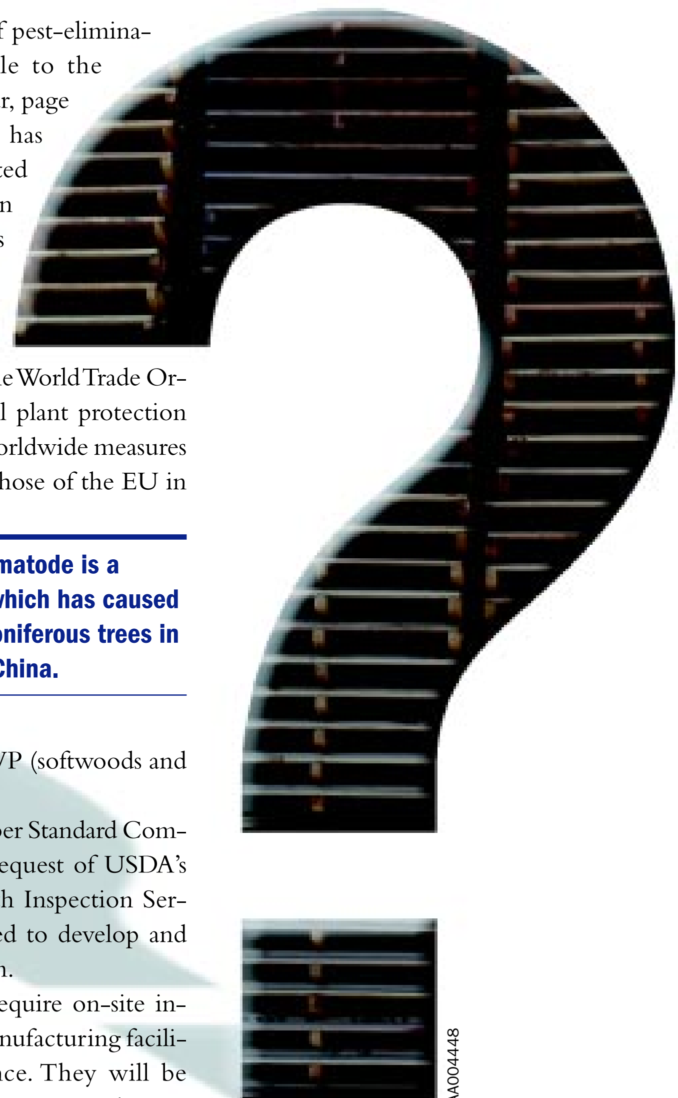
By Mike Hicks

Two events have recently heightened concern that the pinewood nematode could become established in Europe: an outbreak in Portugal that likely began with infected packing material, and actual interceptions of the destructive pest in packing material shipped from the United States, Canada, China and Japan.

Member states of the European Union (EU), understandably, wish to bar the nematode from the continent's extensive forests.

The European Commission has adopted emergency measures requiring the treatment and marking of all new and used coniferous (e.g., pine, spruce, fir) non-manufactured wood packing material (NMWP) originating in the United States, Canada, China or Japan beginning October 1, 2001, to prevent the introduction of the pinewood nematode.

Work is currently underway in the United States to set up a program to meet the measures adopted by the EU Commission. Of the methods of pest-elimination that are acceptable to the Commission (see sidebar, page 22), the United States has settled on the "heat-treated or kiln-dried" mitigation method to eliminate this pest on NMWP.



The International Plant Protection Convention, recognized by the World Trade Organization as the official plant protection body, will likely adopt worldwide measures that are very similar to those of the EU in April 2003 for all NMWP (softwoods and hardwoods).

The pinewood nematode is a microscopic eelworm which has caused significant losses to coniferous trees in Japan and China.

The American Lumber Standard Committee (ALSC), at the request of USDA's Animal and Plant Health Inspection Service (APHIS), has agreed to develop and oversee the U.S. program.

The program will require on-site inspections of NMWP manufacturing facilities to verify compliance. They will be conducted by inspection agencies that are accredited by ALSC. ■

The author is the Trade Policy Coordinator for the FAS Forest and Fisheries Products Division. Tel.: (202) 720-0638; Fax: (202) 720-8461; E-mail: hicks@fas.usda.gov

FAQs: How Will the New Measures Impact My Business in the EU?

OS38023

When Do the New Measures Take Effect?

On Oct. 1, 2001. Exporters with shipments leaving the United States on or after that date for the EU and containing new or used NMWP madeeither entirely or partially of coniferous lumber will need to ensure that the NMWP meets the new requirements.

Will I Be Affected?

The answer to this question lies in the composition of packing materials you select for shipping. Overall, a significant portion of U.S. exports will be affected by the measures since most goods are transported using NMWP (e.g., pallets, boxes, crates). It is estimated that upward of 30 percent of the 450 million new pallets produced annually–as well as a higher percentage of the new pallets used for exports–are made entirely or partially of coniferous lumber.

Of the pallets and containers already in circulation, a significant proportion contain coniferous lumber.

What Do the New Measures Require?

The emergency measures require that all new and used NMWP originating from the four countries be:

- heat-treated or kiln-dried to a minimum core temperature of 56%C for at least 30 minutes in a closed chamber or kiln which has been tested, evaluated and approved for this purpose;
- pressure-treated with an approved chemical in accordance with an officially recognized technical specification; or
- fumigated with an approved chemical in accordance with an officially recognized technical specification.

The coniferous NMWP must also display an officially approved mark enabling the identification of the treater and the location of treatment. The use of the mark will be limited to NMWP manufacturers participating in the APHIS-ALSC program. (Coniferous NMWP originating in China must also be accompanied by a phytosanitary certificate.)

If I Don't Comply, What Happens?

The EU has indicated that any NMWP that does not comply will be treated to eliminate the risk of the pinewood nematode prior to entry, be refused entry, or be destroyed. This will likely necessitate the off-loading of any cargo from the NMWP, and may lead to considerable delay.

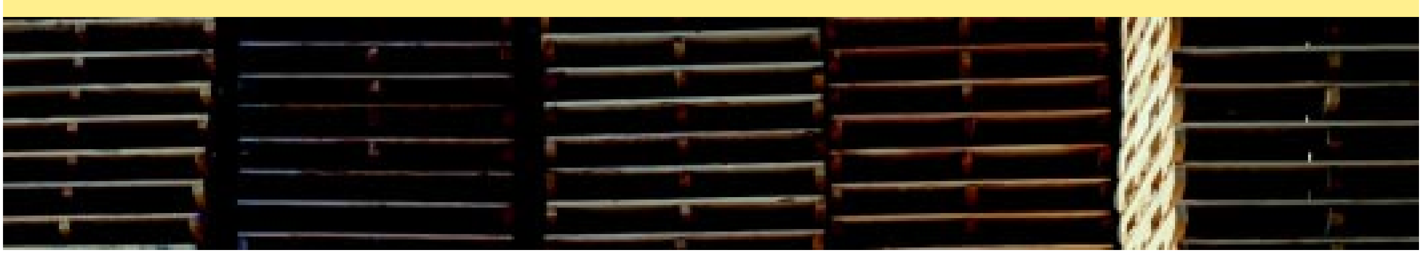
Where Can I Get More Info?

Questions concerning the NMWP program should be directed to

- USDA/APHIS/Export Services, Tel.: (301) 734-8537
  or visit APHIS' website for NMWP at **www.aphis.usda.gov/ppq/swp/eunmwp.html**
- the American Lumber Standard Committee, Tel.: (301) 972-1700.

For a list of NMWP facilities participating in the program, contact:

- California Lumber Inspection Service, Tel.: (209) 334-6956
- Northeastern Lumber Manufacturers Association, Tel.: (207) 829-6901
- Northern Softwood Lumber Bureau, Tel.: (207) 829-6901
- Pacific Lumber Inspection Bureau, Tel.: (253) 835-3344
- Redwood Inspection Service, Tel.: (415) 382-0662
- Renewable Resource Associates, Inc., Tel.: (770) 482-9385
- Southern Pine Inspection Bureau, Tel.: (850) 434-2611
- Timber Products Inspection, Tel.: (770) 922-8000
- West Coast Lumber Inspection Bureau, Tel.: (503) 639-0651
- Western Wood Products Association, Tel.: (503) 224-3930



AA004448

Three Central American Markets Add Up to Opportunities for U.S. Food Exporters

By Miguel Herrera, Daniel Orellana and Hector Suazo

TR006476

Known as the northern triad of Central America, Guatemala, El Salvador and Honduras offer important opportunities for U.S. exporters. Although they differ markedly in their degree of economic development and market size, they share many policies and preferences.

Let's begin by assessing each country's market.

The Lay of the Land in . . . Guatemala

Guatemala's economy is the largest in Central America, with gross domestic product (GDP) of about $19 billion in 1999. It already ranks as one of the United States' foremost trading partners in the Caribbean Basin. In 2000, U.S. exports of consumer-oriented products to Guatemala surged to a record $84.3 million.

Over the last decade, Guatemalan economic growth has averaged a respectable 4 percent a year, though it likely dropped to 2.7 percent in 2000. Consumer expenditures have grown an average 10.4 percent a year since 1994.

Of the 11.8 million Guatemalans, 2.3 million can regularly afford imported goods. The nation's growing retail industry, coupled with consumers' increasing demand for new and better products, is creating exceptional opportunities for imports.

Guatemala's retail sector reflects this economic expansion. The supermarket sector has almost quadrupled its sales, from $114 million in 1994 to $411.4 million in 1999. The number of supermarkets has grown from 66 to 128.

Overall, supermarkets account for half of Guatemalan retail food sales, followed by hypermarkets with nearly 28 percent. Although the club or discount warehouse concept is new to Guatemala, it has already garnered 15 percent of the market. Convenience store sales make up almost 5 percent.

. . . El Salvador

El Salvador's retail food sector is also experiencing tremendous growth, fueled mainly by rapid expansion and aggressive competition in the supermarket sector. Nationwide, 136 supermarkets handle approximately 36 percent of the retail food market. Supermarkets continue to open branches in working class areas.

Like Guatemala, El Salvador already ranks as a sizeable market for U.S. consumer-oriented products, importing a record $41.6 million worth last year.

The nation's three most populous cities–San Salvador, Santa Ana and San Miguel–account for 75 percent of consumer food imports. Workers in these cities supply steady demand for consumer-oriented products, since most of them eat lunch out, often buying ready-to-eat items in supermarkets and convenience stores.

. . . and Honduras

In the middle and late 1990s, the Honduran economy grew an average of almost 4 percent per year. In 1999, crippling infrastructure damage and export losses caused by Hurricane Mitch reduced growth to 2 percent. In 2000, the economy regained its upward momentum, and GDP is expected to have grown by 5 percent.

Of Honduras' population of 6.2 million, about 2.9 million are steady consumers of imported food products. Here again, U.S. consumer-oriented export sales set a new record in this market last year: $55.3 million.

For U.S. exporters, the target population is concentrated in the capital city of Tegucigalpa and the industrial hub of San

MARKET ANALYSTS THINK AMPLE UNTAPPED OPPORTUNITIES EXIST FOR A PANOPLY OF PRODUCTS.

Pedro Sula, which together account for 80 percent of food import sales. The Bay Islands and smaller cities like El Progreso, La Ceiba and Choluteca account for the remainder.

Supermarkets' and wholesale clubs' share of retail food sales has increased to about 42 percent, with convenience and other types of small stores and traditional street markets (wet markets) accounting for the remainder.

Market Boosters

The statistics above add up to a picture of growing demand for consumer-oriented products from the United States and other countries.

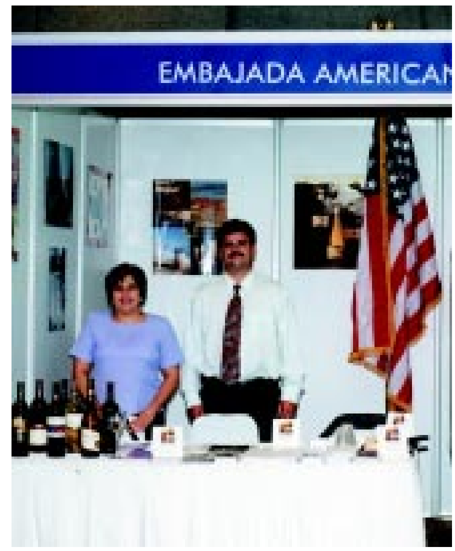
Many Central American distributors and importers like trading with U.S. suppliers because they can rely on their ability to provide quality goods in necessary quantities in a timely, efficient manner. Moreover, the region's growing food processing industry is on the lookout for new imported ingredients.

A sizable proportion of consumers in all three countries have a strong preference for U.S. food products, perceiving them as offering higher quality, greater safety and better nutrition than most national or regional products. In addition, many consumers have studied, traveled and worked in the United States, and so have developed a taste for U.S. foods.

Gas Marts: A New Kind of Convenience

Increasing U.S. investment in these countries' retail food sector is leading to greater brand awareness and more competitive market conditions, on which U.S. firms can capitalize. The growth in gas marts is a prime example of this trend.

Major petroleum firms have established a strong niche in the convenience food segment. The main players are Esso Mart and Tiger Mart, operated by Exxon; Star Mart, operated by Texaco; and Select and Express, operated by Shell.



USDA/FAS

Limiting Factors

However, as in many developing countries, affluence in Guatemala, El Salvador and Honduras remains heavily concentrated in the comparatively small middle- and upper-income classes. Price remains an important (if not overriding) concern in most purchasing decisions, so it is essential that U.S. products be competitively priced. And indeed many U.S. food products are actually cheaper than national or regional counterparts.

For long-term success, U.S. exporters must supply products that compare favorably in diversity, quality and price with similar products from competitor countries. Moreover, despite strong trade ties, unfamiliarity with U.S. product lines persists–not only among consumers, but also among distributors and importers.

Imports also face the obstacles imposed by bureaucratic processes and de facto market barriers. Constraints include complicated procedures to clear customs, relatively high tariffs on selected products, quotas and changing phytosanitary restrictions. Inconsistent customs valuation practices create an uneven playing field for many distributors, wholesalers and retailers.

And Competition

The free trade agreement among Central American countries provides opportunity for the brisk exchange of products. Moreover, Mexico has been increasing trade and recently signed a free trade agreement with the northern triad that will likely enable it to improve its market position.

Chile, another major U.S. competitor, has also been gaining ground and is negotiating its own trade agreement with Central America.

Keys to Market Access and Success

But despite practical constraints and stiff competition, the United States is increasing its share of the consumer-oriented foods market. Market analysts think that ample untapped opportunities exist for a panoply of U.S. products, for everything from fresh fruits to snacks to frozen foods. So here are some practical tips for succeeding in this market.

As usual, success depends largely on those three indispensable standbys: personal contact, good local representation and effective product promotion.

Personal contact should be established with a qualified local representative, such as a distributor. Selecting a distributor is the fastest, easiest way to enter the market. The offices cited at the end of this article can provide detailed information on local representation, trade show participation and other avenues for setting up personal contacts.

AA015439

For details, see FAS Report Nos. GT0026, ES0010 and HO0008. To find it on the web, start at **www.fas.usda.gov**, select **attache reports** and respond to the dialogue boxes.

The **local representative** or **distributor** should be able to provide market knowledge; guidance in local business practices, trade policies and regulations; and sales contacts. In many cases, the local representative or distributor will also be the importer. U.S. firms should seek formal legal representation to ensure compliance with registration requirements, labeling codes and food safety regulations.

Product promotion, information and sampling are essential, since consumers tend to buy only products with which they are familiar. To improve the odds of successful market entry, U.S. suppliers should provide importers and distributors with: labeling or re-labeling services; competitive pricing; reasonable credit terms; partial defrayment of advertising costs; catalogs and flyers; and samples. ■

Orellana is the marketing specialist in Guatemala City, Herrera is the agricultural specialist in San Salvador and Suazo was formerly the agricultural specialist in Tegucigalpa. For more information, or for assistance in exporting to these countries, contact:

U.S. Embassy, Guatemala City, Guatemala, Tel.: (011-502) 332-4030; Fax: (011-502)331-8293; E-mail: agatt@guate.net

U.S. Embassy, San Salvador, El Salvador, Tel.: (011-503) 279-0569; Fax: (011-503) 278-3351; E-mail: agsansalvador@usda1.sprint.com

FOREIGN AGRICULTURAL SERVICE PUBLICATIONS

The publications listed below present timely and reliable information on U.S. and world production, supply and demand, and trade for many different commodities. All these publications can be subscribed to through the National Technical Information Service (NTIS) of the U.S. Department of Commerce. To order, call NTIS at 1-800-363-2068, (703) 605-6060 or (703) 487-4639 for TDD (hearing impaired only). A subscription form is provided on the reverse side.

Tropical Products: World Markets and Trade
Issued four times a year. Provides information on the world production and supply and demand situation for coffee and tea. Presents U.S. trade data on spices and essential oils.

Cotton: World Markets and Trade
Monthly report provides statistics and other information on U.S. and world production, supply and demand, and trade for cotton. Covers crop conditions, the latest trade policy developments, and export market information.

Dairy Monthly Imports
Monthly report of imports of cheese and other quota dairy products subject to licensing, as well as imports under the quota not subject to licensing.

Livestock and Poultry: World Markets and Trade
Semi-annual publication provides information on U.S. and world production, use and trade of livestock and poultry products, trade policy developments, and export market information.

Grain: World Markets and Trade
Monthly publication provides information on U.S. and world production, supply and demand, and trade for a variety of grains. Covers crop estimates, the latest trade policy developments, and export market information.

World Horticultural Trade and U.S. Export Opportunities
Monthly publication provides information on the world situation and outlook for horticultural products. Covers export competition, foreign market import potential, and export opportunities for U.S. horticultural products.

Oilseeds: World Markets and Trade
Monthly publication provides data and analyses on U.S. and world production, supply, use, and trade of a variety of oilseeds and products. Covers production estimates, latest trade policy, commodity prices, and export market information.

Sugar: World Markets and Trade
Semi-annual publication provides information on the world production and supply and demand situation for sugar. Includes in-depth special country features.

Tobacco: World Markets and Trade
Quarterly report provides information on U.S. and world production, supply and demand, and trade for tobacco. Covers crop estimates, the latest trade policy developments, and export market information. The March issue contains complete U.S. tobacco trade data for the preceding calendar year.

World Agricultural Production
Monthly report provides information on U.S. and world production of major agricultural products, including crop, weather and production briefs, and special articles of interest to the trade.

Wood Products: International Trade and Foreign Markets
Issued five times a year. Provides information on the production, trade, and supply and demand situation in countries around the world for wood products. Highlights the latest trade policy developments, export statistics, and market information of interest to U.S. exporters.

Monthly Summary of Export Credit Guarantee Program Activity
Monthly summary report shows fiscal year commitment figures for the Commodity Credit Corporation's Export Credit Guarantee Program (GSM-102) and Intermediate Credit Guarantee Program (GSM-103).

U.S. Export Sales
Weekly report based on reports submitted by private exporters. Outstanding export sales as reported and compiled with other data give a snapshot view of the current contracting scene. All countries with outstanding sales or accumulated exports are included for each class of wheat, all wheat, wheat products, corn, soybeans, soybean cake and meal, American pima cotton, all upland cotton, whole cattle hides, and wet blues.

AgExporter Magazine
Monthly magazine for businesses selling farm products overseas provides tips on exporting, descriptions of markets with the greatest sales potential, and information on export assistance available from the U.S. Department of Agriculture. The audience is U.S. agricultural producers, exporters, trade organizations, state departments of agriculture, and any other export-oriented organization.

Dairy: World Markets and Trade
Semi-annual publication provides information on U.S. and world production, use and trade of dairy products, trade policy developments, and export market information.

Food and Agriculture Directory
Directory features up-to-date listings of federal and state agencies, trade associations and a host of other organizations that can help you penetrate foreign markets. Includes phone and fax numbers.

NTIS **Foreign Agricultural Service**
Trade Publications Order Form

1-800-363-2068 or (703) 605-6060
Fax this form to (703) 605-6880
To verify receipt of your fax order, call (703) 605-6060.

U.S. DEPARTMENT OF COMMERCE
Technology Administration
National Technical Information Service
Springfield, VA 22161

To order subscriptions, call 1-800-363-2068 or (703) 605-6060.
TDD (for hearing impaired only), call (703) 487-4639.

SHIP TO ADDRESS

CUSTOMER MASTER NUMBER (IF KNOWN) | DATE

ATTENTION/NAME

ORGANIZATION | DIVISION / ROOM NUMBER

STREET ADDRESS

CITY | STATE | ZIP CODE

PROVINCE / TERRITORY | INTERNATIONAL POSTAL CODE

COUNTRY

PHONE NUMBER ( ) | FAX NUMBER ( )

CONTACT NAME | INTERNET E-MAIL ADDRESS

METHOD OF PAYMENT

☐ VISA ☐ MasterCard ☐ American Express ☐ Discover

CREDIT CARD NUMBER | EXPIRATION DATE

CARDHOLDER'S NAME

☐ NTIS Deposit Account Number:

☐ Check/Money Order enclosed for $ (PAYABLE TO NTIS IN U.S. DOLLARS)

ALL SALES ARE FINAL

NTIS electronically stores our collection of almost 3 million items and custom-reproduces a single copy specifically for your order. Therefore, NTIS does not accept cancellations, requests for modifications, or returns for credit or refund. All sales are final. If you believe the item you received is defective or if we made an error in filling your order, please contact our Customer Service Department via e-mail at info@ntis.fedworld.gov or by phone at 1-888-584-8332 or (703) 605-6050.

SINGLE COPIES

To order, call NTIS Sales Desk 1-800-553-NTIS (6847) or (703) 605-6000; fax to (703) 605-6900; or E-mail to: **orders@ntis.fedworld.gov.**
For single copies, add $5 handling fee per total order for U.S., Canada, Mexico; $10 per total order for all other countries. RUSH service is available for an additional fee; please call the NTIS Sales Desk for details.

Please PRINT or TYPE

NO. OF SUBSCRIPTIONS	ORDER NO.	TITLES	PRICES* DOMESTIC	INT'L	TOTAL PRICE
________	SUB9707LJX	Tropical Products (Coffee, Spices, Essentials Oils) (4 issues)	$60.00	$120.00	$
________	SUB9708LJX	Cotton: World Markets & Trade (12 issues)	120.00	240.00	
________	SUB9710LJX	Dairy Monthly Imports (12 issues)	108.00	216.00	
________	SUB9711LJX	Livestock & Poultry: World Markets & Trade (2 issues)	24.00	48.00	
________	SUB9713LJX	Grain: World Markets & Trade (12 issues)	132.00	264.00	
________	SUB9714LJX	World Horticultural Trade & U.S. Export Opportunities (12 issues)	132.00	264.00	
________	SUB9715LJX	Oilseeds: World Markets & Trade (12 issues)	132.00	264.00	
________	SUB9717LJX	Sugar: World Markets & Trade (2 issues)	28.00	56.00	
________	SUB9718LJX	Tobacco: World Markets & Trade (4 issues)	60.00	120.00	
________	SUB9719LJX	World Agricultural Production (12 issues)	132.00	264.00	
________	SUB9734LJX	Wood Products: International Trade & Foreign Markets (5 issues)	62.00	124.00	
________	SUB9735LJX	Monthly Summary of Export Credit Guarantee Program Activity (12 issues)	108.00	216.00	
________	SUB9736LJX	U.S. Export Sales (52 issues)	312.00	624.00	
________	SUB9737LJX	AgExporter Magazine (12 issues)	60.00	120.00	
________	SUB9739LJX	Dairy: World Markets & Trade (2 issues)	24.00	48.00	

Prices are subject to change.

* Prices include first-class delivery or equivalent service for domestic (U.S., Canada, and Mexico); airmail delivery for international (all other countries).

GRAND TOTAL $

Thank you for your order!

Trade Notes...

FAS public affairs specialist
Don Washington is at (202) 720-3101;
E-mail: washington@fas.usda.gov

U.S. and Japan Reach Agreement on Organic Trade

The Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) has agreed to allow USDA-accredited organizations to approve organic food and beverage ingredients for export to Japan.

This should improve access to the Japanese organic market by greatly reducing the expense and difficulty of approving products for sale in Japan. Prior to this agreement, only MAFF-registered certifying organizations (RCO) based in Japan could approve U.S. organic products, typically through costly inspections by RCO officials.

The agreement is expected to help facilitate trade in processed ingredients such as frozen juices and vegetables, sauces, and pastes, as well as bulk commodities including soybean and wheat.

The proposal accepted by MAFF is an interim measure designed to facilitate trade as USDA and MAFF continue negotiations on equivalency between the U.S. National Organic Program and MAFF. The measure will expire on March 31, 2002, or upon implementation of an equivalency agreement, whichever comes first.

U.S. Kosher Foods Make Bid for Growing Niche Market

The kosher food market is one of the fastest growing niche markets in France. U.S. companies participating in the first European kosher show, Eurokosherfest, held in Paris, project $800,000 in sales over 12 months, way beyond their initial expectations.Of the 15 U.S. exhibitors, 10 were sponsored by Food Export-USA Northeast while 5 were sponsored by the organizer of Kosherfest U.S.A.

In total, 200 exhibitors from Europe, the United States and Israel participated, along with about 3,000 buyers and distributors from Europe. Products featured were wines, baby foods, fruit juices, nuts, pizzas, waffles, ice cream, pasta, candies, chocolates, vegetarian dishes, gefilte fish, fish entrees, dairy products, soups, condiments and dairy products. Ice cream by Bernie's Foods of Brooklyn, N.Y., was singled out for its high quality and good packaging. In appreciation, the firm is entitled to use a special logo on its product, "K-d'Or" (in French, 'golden kosher'). Special seminars at Eurokosherfest provided information on marketing kosher foods in Europe.

Native American and Louisiana Foods Also Do Well in Paris

At the Paris Ethnic and Specialty Food Show, the Louisiana Department of Agriculture presented ethnic products from 16 companies, featuring such products as olive oil, Louisiana hot sauces, Cajun dishes, marinades, seasonings, pancake and biscuit mixes and Tex-Mex foods. The Intertribal Agricultural Council (IAC) presented information about Native American agriculture and offered demonstrations of traditional Native American meals and recipes. The IAC exhibited buffalo meat, wild rice, maple syrup, fish, dried and fresh fruits, soup mixes and flour. U.S. companies made contacts with representatives of the retail and food service sector from France, other European countries and New Caledonia.

Inside This Issue:

- **Talk about a firecracker in the shopping cart; in five-years, Guatemala's supermarket sector nearly quadrupled its sales.**

- **Exporters, by all means get those cans across the Atlantic. Europe's private label food sector dances to the tune of over $280 billion each year, and canned goods ares a major player.**

- **Could pest species hitchhike a ride to Europe in your product's solid-wood packing material? If so, watch out–strict regulations are now in effect.**

... And More

United States
Department of Agriculture
Washington, DC 20250-1000